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LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973 RECORDATION NO. 13398-C Filed 1329

OF COUNSEL

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393-2266

TELEX

367 A AND A.

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
GEORGE JOHN KETO\*  
MILTON C. GRACE\*  
JAMES C. MARTIN, JR.\*

\*NOT A MEMBER OF D.C. BAR  
\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN OHIO  
\*ALSO ADMITTED IN MARYLAND

MAY 10 1988-12 15 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 13398-D Filed 1329  
MAY 10 1988-12 15 PM  
INTERSTATE COMMERCE COMMISSION

May 10, 1988

No. 8-131A051

MAY 10 1988

Date.....

Fee \$.....

ICC Washington, D. C.

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two copies each of 1) a Security Agreement dated as of December 1, 1987, a primary document, and 2) a Letter Agreement dated as of December 1, 1987, a secondary document.

The enclosed documents relate to the Conditional Sale Agreement dated as of December 1, 1981 between EMCOB, Inc. and Jefferson-Pilot Life Insurance Company (formerly Jefferson Standard Life Insurance Company), which was duly filed and recorded on December 30, 1981 at 2:25 p.m. and assigned Recordation Number 13398.

The names and addresses of the parties to the enclosed documents are:

EMCOB, Inc.  
1 West Market Street  
York, Pennsylvania 17401

Jefferson-Pilot Life Insurance Company  
(formerly Jefferson Standard Life Insurance Company)  
101 N. Elm Street  
Greensboro, North Carolina 27401

A description of the railroad equipment covered by the enclosed documents is:

Seventy-five boxcars, CPAA 204614 - CPAA 204688.

*C. T. Kappler*  
*C. T. Kappler*

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
May 10, 1988  
Page Two

Also enclosed is a check in the amount of \$26 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Kindly return stamped copies of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed documents to appear in the Commission's Index is:

Security Agreement and Letter Agreement, each dated as of December 1, 1987, between EMC OB, Inc. and Jefferson-Pilot Life Insurance Company, covering 75 boxcars, CPAA 204614 - CPAA 204688.

Very truly yours,

  
Charles T. Kappler

Enclosures

EMCOB, INC.  
One West Market Street  
York, Pennsylvania 17401-1231

RECORDATION NO. 13378-13398-D Filed 1988

MAY 10 1988 12:55 PM

INTERSTATE COMMERCE COMMISSION

as of December 1, 1987

Jefferson-Pilot Life Insurance Company  
(formerly Jefferson Standard Life Insurance Company)  
c/o Jefferson-Pilot Investment, Inc.  
Securities Service Division  
101 N. Elm Street  
Greensboro, NC 27401

Gentlemen:

Reference is made to the Conditional Sale Agreement dated as of December 1, 1981 between Jefferson Standard Life Insurance Company, a North Carolina corporation now known as Jefferson-Pilot Life Insurance Company ("Jefferson"), and EMCOB, INC., a Delaware corporation ("EMCOB"), as amended (the "Sale Agreement").

Jefferson and EMCOB have each determined that it is necessary and desirable and in each of their best interests to amend and modify the Sale Agreement as set forth in this agreement. Terms not otherwise defined herein shall have the meanings provided in the Sale Agreement and the Management Agreement, dated the date hereof (the "Management Agreement") between Emons Marketing Services, Inc. ("Emons") and EMCOB.

In consideration of the mutual promises, covenants and agreements contained in the Sale Agreement and this agreement, and for other good and valuable consideration, receipt of which is hereby acknowledged, Jefferson and EMCOB each hereby agree as follows:

1. Waiver of Past Defaults. Pursuant to Section 15.2 of the Sale Agreement, Jefferson hereby waives any and all Events of Default or events which with passage of time or notice or both would constitute an Event of Default, arising or occurring at any time on or before the date hereof under the Sale Agreement, and rescinds and annuls any declaration thereof, whether implied or explicit. In connection therewith, Jefferson hereby waives any claim or right for any and all additional interest, or interest on interest, accrued or accruing on any amounts due and owing under the Sale Agreement, whether principal, interest thereon, or expenses in connection therewith, to the date hereof, pursuant to Article 3 and

Section 15.1 of the Sale Agreement, and acknowledges and agrees that it will forgive any such amount and make no claim therefor.

2. Interest Arrearage Amount. Jefferson and EMCOB each hereby agree that as of the date hereof, the outstanding Conditional Sale Indebtedness (as defined in the Sale Agreement) is \$1,094,542.57 and the amount of the accrued and unpaid interest on such Conditional Sale Indebtedness is \$204,644.84 (the "Interest Arrearage Amount").

3. Modification of Interest Rate. The reference to "18%" in the tenth line of Section 3.2 of the Sale Agreement; the second line of Section 3.5 of the Sale Agreement; the sixth to the last line of Section 15.1 of the Sale Agreement; and wherever else such reference appears in the Sale Agreement, is hereby deleted in its entirety and replaced by a reference to "10%", and Jefferson and EMCOB each hereby agrees that in that regard the interest accruing on the outstanding Conditional Sale Indebtedness shall be 10% from the date hereof until the final payment of all Conditional Sale Indebtedness.

4. Consent to Management Agreement. EMCOB hereby agrees to enter into a Management Agreement with Emons, in substantially the form attached hereto as Exhibit A, pursuant to which Emons will administer and manage the usage of the Items of Equipment in return for the payment by EMCOB to Emons of a management fee (the "Management Fee") equal to 10% of the Gross Revenues (as defined in the Management Agreement) received from the lease or other revenue producing use of the Items of Equipment. Jefferson hereby consents to the execution, delivery and performance of the Management Agreement (including, without limitation, the application of Gross Revenues to payments provided for therein). By its execution of this Agreement, Jefferson consents to the inclusion of the Items of Equipment in (i) the Agency Agreement dated the date hereof between EMCOB and The Maryland and Pennsylvania Railroad Company (the "M&P") and (ii) the Lease dated as of the date hereof between the M&P and Canadian Pacific Limited (the "CP Lease"). EMCOB agrees that it shall not, without the prior written consent of Jefferson, (i) grant its consent to any Usage Proposal (as defined in the Management Agreement) or otherwise take any action to subject the Items of Equipment to a Usage Agreement (as defined in the Management Agreement) or (ii) take any action to substitute other equipment in place of any Item of Equipment in the CP Lease.

5. Payments of Principal and Interest. Jefferson hereby agrees that, notwithstanding the terms and conditions of the Sale Agreement, EMCOB shall pay to Jefferson on a monthly basis on the first day of each month (subject to the grace period referred to below), until payment in full of the Conditional Sale Indebtedness and accrued interest thereon, an amount equal to the Net Earnings (as defined in the Management

Agreement), attributable to the preceding calendar month (each such payment being hereinafter referred to as an "Installment"). So long as an Installment is made within a thirty-day grace period after each Payment Date, no default or Event of Default shall exist hereunder or under the Sale Agreement due to nonpayment of such Installment, and no additional interest shall accrue on such Installment. Each installment shall be applied in the following order of priority: First, against the current accrued and unpaid interest on the outstanding Conditional Sale Indebtedness with respect to the period from the date hereof through the date of such Installment; Second, against the outstanding principal amount of Conditional Sale Indebtedness, in accordance with the principal amortization schedule attached hereto as Exhibit B, provided, however, that any such application of proceeds of an Installment shall first be applied to satisfy any amount due and owing with respect to any portion of any prior principal amount set forth on such amortization schedule; Third, against the Interest Arrearage Amount owing from the date hereof to such date; and Fourth, as a prepayment of future installments of Conditional Sale Indebtedness in inverse order of the principal set forth in such amortization schedule. So long as payments are made in accordance with this paragraph no default or Event of Default shall exist under Section 15.1(a) or 15.1(b) of the Sale Agreement. Any payment received by EMCOB upon the occurrence of a Casualty Occurrence (as defined in the Sale Agreement), whether in the form of insurance proceeds or settlement payments, shall promptly be paid by EMCOB to Jefferson, and such payment shall be applied in the manner set forth immediately above with respect to Net Earnings.

6. Residual Sharing. In consideration of the concessions granted herein, EMCOB agrees that it will pay to Jefferson fifty (50%) percent of any net proceeds (as hereinafter defined) received by EMCOB from the resale, re-lease or other revenue producing disposition of the Items of Equipment after payment in full of the Conditional Sale Indebtedness and all accrued interest thereon. For purposes hereof the term "net proceeds" shall mean the gross proceeds received by EMCOB from the resale, release, or other revenue producing disposition of an Item of Equipment, less all brokers' fees, management fees, operating expenses, consulting fees, commissions related to any sale or lease, transportation and delivery costs and expenses, remarking and maintenance costs and expenses, and yard rental fees, incurred with respect to such Item of Equipment. Section 3.2(3)(b) of the Sale Agreement (added by the amendment thereto recorded with the Interstate Commerce Commission on June 4, 1985) is hereby deleted and is of no further force and effect.

Jefferson and EMCOB each acknowledge that the Sale Agreement shall remain in full force and effect, as amended and modified hereby. Nothing in this Amendment and Modification shall be construed as modifying the provisions of Section 17 of the Sale Agreement, and the undertakings of EMCOB provided for herein shall be subject to the provisions of such Section.

Please execute four copies of this agreement where provided below and return two such completed copies to EMCOB to indicate your acceptance and agreement of the terms and conditions of this Agreement.

Very truly yours,

EMCOB, INC.

By:

Title:

*Joseph W. Wells*  
*Controller and Secretary*

Agreed to:

JEFFERSON-PILOT LIFE INSURANCE COMPANY  
(formerly Jefferson-Standard Life  
Insurance Company)

By:

*John E. Ingram*  
Title: Vice President

0374K

STATE OF PENNSYLVANIA)

: SS.:

COUNTY OF YORK )

On this 24 day of February, 1988, before me personally appeared Joseph W. Wiles, to me personally known, who being by me duly sworn, says that he is a Controller/Secretary of EMCOR, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Annmarie Wileczek  
NOTARY PUBLIC

(Seal)

My Commission Expires:

ANNMARIE WILECZEK, Notary Public  
York, York County, Pennsylvania  
My Commission Expires April 16, 1990

STATE OF NORTH CAROLINA)

: SS.:

COUNTY OF GUILFORD )

On this 4th day of March, 1988, before me personally appeared John C. Ingram, to me personally known, who being by me duly sworn, says that he is a Vice President of JEFFERSON-PILOT LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon S. Spack  
NOTARY PUBLIC

MY COMMISSION EXPIRES JUNE 23, 1990

(Seal)

My Commission Expires:

0374K

RAILCAR MANAGEMENT AGREEMENT

Agreement dated as of December 1, 1987 between EMCOB, INC., a Delaware corporation (the "Owner") and EMONS MARKETING SERVICES, INC., a Delaware corporation (the "Manager").

-----  
The Owner owns the railroad freight cars described in Exhibit A attached hereto (the "Cars");

The Owner has entered into an Agency Agreement (the "Existing Usage Agreement") dated as of December 1, 1987 with The Maryland and Pennsylvania Railroad Company (the "M&P") relating to the use of the Cars in a Lease dated as of December 1, 1987 between the M&P, as lessor, and Canadian Pacific Limited, as lessee (the "Existing Affiliate Usage Agreement").

The Manager is engaged in the business of managing, leasing and remarketing railroad freight cars, and the Owner desires to retain Manager as its agent for the purpose of managing, leasing and remarketing the Cars on the Owner's behalf.

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In consideration of the mutual promises made herein, the Owner and Manager, intending to be legally bound, agree as follows:

1. Certain Definitions. The following terms shall have the following meanings when used herein:

"AAR" shall mean the Association of American Railroads.

An "Affiliate" of a person or entity shall mean any other person or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of this definition, a person or entity shall be conclusively presumed to control another person or entity that is a corporation if (i) in the case of a corporation which is required to file reports pursuant to Section 13 or 15 of the Securities and Exchange Act of 1934, such person or entity is the beneficial owner



of in excess of twenty (20%) per cent of the securities of such corporation having ordinary voting power for the election of directors and (ii) in the case of a corporation which is not required to file such reports, such person is the beneficial owner of at least a majority of the securities of such corporation having ordinary voting power for the election of directors.

"Affiliate Usage Agreement" shall mean any Usage Agreement relating to the Cars to which an Affiliate of Manager (as a lessee of the Cars from Owner or as agent for Owner with respect to the Cars) and one or more unaffiliated third-parties are party (including the Existing Affiliate Usage Agreement).

"Agency Period" shall mean the period commencing on the date hereof and terminating on the Expiration Date, unless earlier terminated with respect to any Car pursuant to Section 12 below.

"Discretionary Maintenance Activity" shall mean any Maintenance Activity other than a Running Repair.

"DOT" shall mean the United States Department of Transportation.

"Expiration Date" shall mean December 31, 1997 provided, however, that, in the case of any Car which as of December 31, 1997 is subject to a Usage Agreement, the Expiration Date with respect to such Car shall be the date upon which such Usage Agreement, including all renewals and extensions thereof, terminates as to such Car.

"Existing Usage Agreement" shall have the meaning ascribed to it in the recitals to this Agreement.

"Gross Revenues" for any period shall mean all revenues in the form of rents, car hire payments of any kind or any similar payments in respect of the Cars received during such period (unreduced by any expenses or costs) collected by Manager from any source in connection with the ownership, use, lease and/or operation of the Cars including collection of any such amount due pursuant to the Existing Usage Agreement; provided, however, that "Gross Revenues" shall not include (i) any amount paid as a rebate, reclaim or an incentive load fee and (ii) any insurance proceeds or other payments received upon the damage or destruction of any Car or for reimbursement or payment for any Losses from liabilities arising from use or ownership of any Car.

"ICC" shall mean the Interstate Commerce Commission.

"Lease Preparation Activity" shall mean any addition, repair (including painting), alteration, modification or improvement performed with respect to a Car specifically and exclusively for the purpose of preparing or making eligible such Car for a new Usage Agreement.

"Losses" shall mean and include claims, actions, judgments, settlements, damages, expenses (including reasonable attorney's fees), losses or liabilities.

"Maintenance Activity" shall mean any addition, repair (including painting), alteration, modification or improvement (including, without limitation, any Running Repair performed or to be performed with respect to a Car but excluding all Lease Preparation Activities).

"Maximum Cumulative Disbursement Amount" shall mean \$2,000.

"Maximum Individual Disbursement Amount" shall mean \$1,250.

"Monthly Distribution Amount" shall mean, in the case of any month during the Agency Period, an amount equal to the Gross Revenues received during such month less the fees payable to Manager pursuant to Sections 8, 14 and 16 below and the sum of all Operating Expenses actually paid by Manager during such month.

"Monthly Distribution Deadline" shall mean the date either: (i) in the case of any distribution by mail, twenty-five (25) days after the end of such month or (ii) in the case of any distribution by wire transfer, thirty (30) days after the end of such month.

"Monthly Management Fee" shall have the meaning ascribed to it in subsection (a) of Section 8 below.

"Net Earnings" for any period shall mean the Gross Revenues less Total Expenses for such period.

"Operating Expenses" for any period shall mean all direct expenses and costs paid (either directly by Manager or offset against revenues) or settled during such period as a result of the ownership, management,

use, lease and/or operation of all Cars including but not limited to (i) fees of lawyers retained with Owner's consent and incurred in connection with repossessing Cars or enforcing any rights or other contractual arrangements in connection with the operation of the Cars; (ii) charges, assessments, or levies imposed upon or against the Cars of whatever kind or nature as are levied by a railroad, government or governmental agency (other than any taxes imposed upon or measured by the income of Owner or Manager) or are incurred on a basis arising out of the operation of the Cars; (iii) sales and/or use taxes based upon revenues of the Cars; (iv) Losses from liabilities arising from the use or ownership of the Cars (including Losses referred to in Section 10 hereof) except to the extent any such Losses are caused by the negligence, bad faith, recklessness or willful misconduct of Manager; (v) ad valorem, gross receipts and other property taxes which are levied against or in respect of the Cars; (vi) to the extent either authorized herein or consented to by Owner, expenses arising in connection with the transportation, lease preparation, storage, restencilling, maintenance or repair of the Cars; (vii) to the extent either authorized herein or consented to by Owner, the costs of alterations, modifications, improvements or additions to the Cars; and (viii) insurance charges; provided, however, that Operating Expenses shall not include expenses of Manager such as (i) any allocation of internal overhead costs of Manager attributable to the administrative, accounting and clerical services incidental to the Manager's duties hereunder (including, without limitation, costs arising in connection with registration of the Cars, preparation of normal usage documentation, and the inspection and monitoring of the Cars in accordance with the requirements of this Agreement) and (ii) salary, travel and entertainment expenses incurred by Manager in maintaining or increasing usage rates under Usage Agreements in force at any time or in connection with the management and remarketing of the Cars.

"Running Repairs" shall mean any repairs performed with respect to the Cars (i) by persons other than Manager and Affiliates of Manager and (ii) without prior specific authorization by Manager (other than general authorization by operation of the Interchange Rules of the Mechanical Division of the Association of American Railroads). It is understood that neither Owner nor Manager will have the ability to approve Running Repairs in advance.

"Total Expenses" for any period shall mean the sum of (i) all Operating Expenses for such period, and (ii) all compensation attributable to the Cars due and payable to Manager under Sections 8, 14 and 16 below not theretofore paid.

"Usage Agreement" shall mean any lease, assigned service agreement, usage agreement, load agreement or similar agreement relating to revenue producing use of some or all Cars including, unless otherwise indicated, any Existing Usage Agreement but not including any Affiliate Usage Agreement.

"Usage Proposal" shall mean a written proposal setting forth in reasonable detail information regarding a proposed Usage Agreement for some or all Cars (including, without limitation, information regarding the proposed use for the Cars, estimated cost of any required Lease Preparation Activities and transportation, and Manager's best good faith estimate of the projected utilization and revenues of the Cars including mileage and type of service).

2. Engagement of Manager.

Subject to the terms and conditions set forth herein, Owner engages Manager during the Agency Period as an independent contractor to manage and remarket the Cars on Owner's behalf, to collect amounts due to or on behalf of Owner with respect to the Cars and to disburse funds on behalf of Owner in payment of the costs and expenses of Owner relating to the Cars, and Manager accepts such engagement and agrees to perform its duties in accordance with the terms and conditions hereof. Manager acknowledges that Manager shall have no property interest in any funds generated by, or in connection with, the operation of the Cars (subject to Manager's right to deduct amounts payable to Manager hereunder).

3. Duties of Manager.

In consideration of the compensation to be paid to Manager hereunder, and subject to all the terms and conditions of this Agreement (including, without limitation, Owner's payment and expense reimbursement obligations set forth in Section 7 below and any rights granted to Owner herein) Manager shall during the Agency Period:

(a) Use reasonable efforts in keeping with industry practice to cause (i) the Cars to be maintained and repaired, when necessary, to meet DOT and AAR requirements for

railcars in interchange service, and (ii) any alterations, modifications, improvements or additions to the Cars necessary to comply with applicable laws or regulations to be performed;

(b) Use its best efforts (i) to continue the Existing Usage Agreement(s) and any related Affiliate Usage Agreements in effect and (ii) otherwise to keep the Cars in Usage Agreements;

(c) Perform, on behalf of Owner, all of Owner's responsibilities under any Usage Agreement, except to the extent such responsibilities are expressly reserved by Owner or assumed by some other party with Owner's consent;

(d) Arrange for any Cars not subject to a Usage Agreement to be stored as economically as possible, until such Cars can be placed in use under a Usage Agreement;

(e) Periodically inspect such number of Cars as Manager, in its reasonable discretion, deems necessary or prudent in order to determine whether the Cars are being properly used and repaired, and conduct, at Owner's expense and upon Owner's written instructions, such other inspections as may from time to time be requested by Owner, and report to Owner in writing in reasonable detail of the results of such inspections;

(f) Register the Cars, identify itself as agent, and file all required initial and ongoing reports with the AAR, ICC, DOT or any other regulatory authority having jurisdiction over the Cars or any Usage Agreement in order to ensure that the Cars will at all times be entitled to generate the maximum possible revenue subject to the provisions of any Usage Agreement;

(g) Manage the Cars, in conformity with all applicable rules and regulations of the AAR, ICC, DOT or any other regulatory authority having jurisdiction over the Cars, Manager or such Affiliate of Manager, as the case may be;

(h) Use its best efforts, subject to Section 4(c) below, to collect all rental payments, car hire, mileage allowances and any other revenue due Owner with respect to the Cars, identifying itself as agent for that purpose, and account for and remit all sums due to Owner as hereinafter provided and enforce Owner's rights and remedies under each Usage Agreement (and any Affiliate Usage Agreement);

(i) Use its best efforts to arrange, maintain and pay for, at Owner's expense, the insurance required by subsection (d) of Section 10 below and such other insurance (including insurance with respect to physical damage to the Cars) as Owner may request;

(j) Pay in Owner's name and behalf all personal property taxes, sales and use taxes, and other taxes, charges, assessments, or levies imposed upon or against the Cars of whatever kind or nature;

(k) Monitor the usage of the Cars, report to Owner any default by a user under any Usage Agreement (and Affiliate Usage Agreement, if applicable) promptly after Manager learns of such default, and use its best efforts to maximize the revenues resulting from such Usage Agreement (and Affiliate Usage Agreement, if applicable) ;

(l) Maintain or cause to be maintained records relating to the management of the Cars (including, without limitation, repairs, maintenance and registration of the Cars) and revenues and expenses attributable to the Cars and make such records available for inspection by Owner or any of Owner's representatives during reasonable business hours, upon two days' prior written or telephonic notice of the date of inspection and provide copies of all such records in Manager's possession to Owner, at Owner's expense (except as otherwise provided in Section 16 below), as soon as practicable but in no event later than two weeks after a request therefor by Owner;

(m) Cause the Cars to be moved to required destination points, as provided in any Usage Agreement (or Affiliate Usage Agreement, if applicable), at the lowest possible transportation cost to Owner, consistent with the operating needs of any party (other than Owner and other than Manager or any Affiliate of Manager) under any such Usage Agreement (or Affiliate Usage Agreement, if applicable);

(n) Upon the termination or expiration of any Usage Agreement with respect to any Car, arrange for the transportation, gathering, storage and remarking of such Car to the extent required and to the extent consented to by Owner (which consent shall not be unreasonably withheld or delayed). Following the termination of any Usage Agreement, Manager will use its best efforts to secure alternative Usage Agreements for the Cars which will maximize the economic return to Owner.

(o) Upon the consent of Owner (except to the extent permitted without Owner's consent pursuant to subsection (d) of Section 6 below), paint the Cars such colors

and with such design as Manager may from time to time approve and place or cause to be placed such reporting marks or such other marks, legends, or placards on the Cars as shall be appropriate or necessary to comply with any regulation imposed by the AAR, ICC or DOT or as shall be necessary to achieve maximum utilization of the Cars. It is anticipated that so long as the Cars are in service under the Existing Usage Agreement (or the Existing Affiliate Usage Agreement), the Cars shall bear the reporting marks of the respective users named in the Existing Usage Agreements, and when the Cars are subject to a Usage Agreement with any user other than the users named in the Existing Usage Agreements (or any Affiliate Usage Agreement existing on the date hereof), they may carry such other user's marks. Upon its receipt of necessary documents in suitable form for recordation, Manager will cause such identification of the lessee or assignee of the Cars to be recorded as may be required in accordance with Section 11303 of the Interstate Commerce Act or such other governmental regulations as may be applicable in the United States and will deliver to Owner copies of any documents evidencing such recordation not later than five days after Manager's receipt of such documents. It is understood that when marks are first placed on the Cars, and when the marks are changed at any time, Manager shall give prompt written notice to Owner, or Owner's designee, of the marks then placed on the Cars. Upon Owner's request and at Owner's expense, Manager shall cause the Cars to be stencilled with an appropriate legend to reflect the Owner's interest therein.

(p) Use its best efforts, subject to Section 4(c) below, to collect all sums due from any railroad or other party (other than an insurer under a policy not arranged by Manager) as the result of damage to, or loss or total destruction of, a Car during the Agency Period and to cause the same to be paid to Owner as provided below.

(q) Furnish such factual information as is reasonably obtainable by Manager for use by Owner in connection with the preparation of Owner's Federal, state and local tax returns and such other similar information reasonably requested by Owner.

(r) Perform for Owner such other services incidental to the foregoing as may from time to time be requested by Owner and necessary in connection with the leasing, utilization and operation of the Cars.

(s) Use due diligence to insure that no Car is accepted on to the tracks of Manager or any Affiliate of Manager with any damage the repair of which would be the responsibility of a delivering road under Rule 95B of the

Interchange Rules of the AAR unless a "defect card" authorizing the repair of such damage at the expense of the damaging railroad accompanies such Car.

(t) Disclose in all negotiations relating to the Cars the agency status of Manager hereunder.

4. Authority and Powers of Manager.

(a) Manager now manages, and in the future will manage, railroad freight cars which it owns and railroad freight cars owned by others. It is recognized and agreed that Manager's obligations and rights with respect to Owner and the owners of other cars managed by Manager are several obligations and rights. The parties hereto expressly recognize and acknowledge that this Agreement is not intended to create a partnership, joint venture or other entity among Owner, other owners of cars and/or Manager. Manager shall not take any action or engage in any course of dealing which would suggest or create an inference that there is any understanding or agreement between the Owner and other owners of cars managed by Manager to create a partnership or similar entity or that such owners are acting as an entity, and Manager shall use its best efforts to assure that no silence or failure to act on its part creates or sustains any such suggestion or inference.

(b) Except as otherwise provided herein, Manager shall have the authority that is necessary to perform its duties under Section 3 hereof without the need for obtaining Owner's further consent.

(c) Manager shall have the authority (i) to enforce or defend any claim resulting from the deployment or recovery of or damage to the Cars, (ii) upon the prior written consent of Owner, to contest any taxes with respect to the Cars, and (iii) except as otherwise provided below, to treat the reasonable expenses thereof as Operating Expenses. Whenever Manager takes any action or makes any payment at Owner's sole expense pursuant to this Agreement, Manager may, subject to the proviso below, retain such attorneys as it deems necessary, in connection with such action or payment and the cost of such attorney's services shall be at the sole expense of the Owner; provided, however, that prior written notice of Manager's intention to retain any such attorneys shall be given to Owner and Owner's consent to the retention of counsel and to the identity of such counsel shall be required prior to such retention.



5. Remarketing of Cars.

(a) Remarketing Authority. Manager shall not have the authority, without the consent of Owner, to (i) execute on Owner's behalf any Usage Agreement relating to the Cars or otherwise make a commitment to subject the Cars to a Usage Agreement, (ii) extend, modify, amend or supplement any Usage Agreement (or Affiliate Usage Agreement if applicable), (iii) grant any consent, waiver, authorization or approval under any Usage Agreement or Affiliate Usage Agreement, if applicable (other than, in either case, any consent, waiver, authorization, or approval which is cancellable without cost by Owner on thirty-day's notice and which Manager believes to be in the interest of maintaining or improving the utilization of the Cars, if written notice of the granting thereof is given by Manager to Owner promptly after the granting thereof) or (iv) terminate or withdraw Cars from any Usage Agreement or Affiliate Usage Agreement, if applicable.

(b) Usage Proposals. Manager shall use its best efforts to identify potential Usage Agreements for which the Cars, or some of the Cars, may be eligible, and from time to time during the Agency Period may submit to Owner Usage Proposals for Owner's consideration. Owner shall have the right, in its discretion, to accept or decline any Usage Proposal (subject to any terms or conditions specified therein). Owner acknowledges that a failure by Owner to respond promptly to any Usage Proposal could result in the loss of the opportunity for Owner and others to participate in such proposal. Accordingly Owner agrees that in the event that Owner fails to respond to a Usage Proposal within seven (7) business days of Owner's receipt of such proposal, Manager shall have the right at its option to deem such proposal rejected by Owner.

(c) Confidentiality. Owner acknowledges that any Usage Proposal may contain confidential proprietary information of Manager, and Owner agrees that it shall not knowingly, without the prior written consent of Manager, disclose any such information to others (except governmental authorities, internal or external auditors and the like) or, except as contemplated in this Agreement, use any such information for its own benefit in dealing with third parties, competitors of Manager or customers of Manager.

6. Additions, Repairs, Alterations, Modifications  
and Improvements; Destruction

(a) Notice of Damage or Destruction. In the event a Car is either

(i) damaged to an extent requiring repairs costing (excluding any related transportation costs) in excess of the Maximum Individual Disbursement Amount or

(ii) destroyed,

Manager shall notify Owner in writing of the occurrence of such event within fifteen days of the date on which Manager determined that such Car was destroyed or so damaged (which determination shall be made by Manager with reasonable promptness after Manager has obtained the facts necessary for it to make such determination).

(b) Claims Regarding Damage or Destruction.

Manager shall not have the authority to settle on Owner's behalf any claim against any third party relating to a damaged or destroyed Car (other than, in the case of any destroyed Car, any settlement with respect to such destruction which provides for the payment of the depreciated value of such Car in accordance with AAR rules or any successor rules then in effect) without Owner's written consent and shall comply with any reasonable written instructions of Owner with respect to any such claim.

(c) Repairs by Affiliates. Manager shall have the authority at its discretion to cause any Maintenance Activity or Lease Preparation Activity required or permitted to be performed in accordance with this Agreement to be performed at repair shops owned or controlled by Manager or any Affiliate of Manager so long as the costs incurred at such shops, taken as a whole and taking into consideration any related transportation costs and potential loss of revenues while Cars await such Maintenance Activity or Lease Preparation Activity, are equal to or less than the costs that would have been incurred at the most economical, responsible non-affiliated repair shop located in the geographical area of the Car requiring the repair.

(d) Manager's Authority Regarding Maintenance Activities and Lease Preparation Activities. Manager shall not have the authority, without the prior written consent of Owner, to authorize the performance of any Lease Preparation Activity or any Discretionary Maintenance Activity with respect to any Car unless (in the case only of a Discretionary Maintenance Activity) either

(i)(x) the cost of such Discretionary Maintenance Activity does not exceed the Maximum Individual Disbursement Amount and (y) the cost of such Discretionary Maintenance Activity (together with the

aggregate cost of all other Maintenance Activities with respect to such Car, if any, which, to Manager's knowledge, have previously been performed during the Measuring Period in which such Discretionary Maintenance Activity is to be performed and any other Maintenance Activities with respect to such Car which Manager knows at such time will be required to be performed or are otherwise scheduled to be performed on such Car during the remainder of such Measuring Period) would not exceed the Maximum Cumulative Disbursement Amount; provided, however, that, for purposes of this clause (y) only, any Lease Preparation Activity approved by Owner shall not be considered a Discretionary Maintenance Activity; or

(ii) Owner has contractually obligated itself to perform such Discretionary Maintenance Activity by the terms of any Usage Agreement (including, for this purpose, the Existing Usage Agreements) relating to the Cars.

In the case of any Discretionary Maintenance Activity authorized by Manager without Owner's consent pursuant to clause (ii) above, Manager shall give Owner prompt written notice of Manager's authorization thereof. In the case of any request by Manager for Owner's consent to the performance of a Discretionary Maintenance Activity, if Manager has not received instructions to the contrary from Owner within seven (7) business days after the receipt by Owner of a written request (including a telexed or telecopied request) for such consent (specifying in reasonable detail the nature of the proposed repair and the estimated cost thereof), Owner shall be deemed to have consented to the performance thereof. It is understood that, if at any time, Owner declines to grant its consent to the performance of a Discretionary Maintenance Activity, any costs which may have been incurred in moving the Car to a repair facility and in obtaining an estimate of the cost of the proposed Discretionary Maintenance Activity shall be treated as an Operating Expense.

(e) Owner's Inspection Rights. Nothing herein shall be construed as limiting or restricting the right of Owner to conduct, at its own expense, inspections of the Cars, or to cause its agent or representative to conduct such inspections on its behalf, so long as (i) the manner and frequency of such inspections do not unreasonably interfere with the operations of any user of the Cars, and (ii) prior notice of any proposed inspection is given to Manager by Owner.

7. Payment of Costs and Expenses.

(a) Payment and Priority of Expenses. Manager shall apply Gross Revenues to the payment of Total Expenses (including, without limitation, to the reimbursement of Manager for any Operating Expenses previously paid by Manager). In the event that the Gross Revenues are insufficient to pay Total Expenses, Manager shall apply Gross Revenues to all such expenses in the following priorities: (i) any applicable taxes included in Operating Expenses; (ii) management fees provided for under Section 8; and (iii) miscellaneous Operating Expenses. Gross Revenues and/or Operating Expenses attributable to any period which are received or disbursed by Manager after the close of such period shall be included in subsequent distributions and accounted for as Gross Revenues or Operating Expenses of that subsequent period.

(b) Payment of Operating Deficits. In the event that Gross Revenues for any Quarterly Period are insufficient to pay Total Expenses for such period, Owner shall pay to Manager, within fifteen (15) days of a request by Manager therefor, the amount (an "Operating Deficit"), if any, by which Total Expenses for such period exceeded Gross Revenues for such period.

(c) Payment for Certain Property Damage. Subject to the limitations on Manager's authority set forth in Section 6 above and unless such responsibilities have been expressly assumed by another party, the cost of repairs for damage to any Car is the sole responsibility of Owner. Any payments, including, without limitation, insurance benefits or railroad or lessee indemnity or settlement payments, received to cover the damage to or loss or destruction of such Car shall be solely for the account and benefit of Owner (and shall not be included within the term "Gross Revenues"). Except in the case of payments applied in accordance with this Agreement to repair damage to a Car and all such payments shall be remitted to Owner promptly after receipt by Manager and in no event later than ten days after Manager's receipt thereof.

8. Compensation.

As compensation for its services hereunder Manager shall be entitled to deduct from Gross Revenues on a monthly basis an amount (the "Monthly Management Fee") determined by multiplying the Gross Revenues actually collected by Manager during such month from the operation of the Cars by ten (10%) percent.

9. Distributions to Owner.

As soon as practicable after the end of each month during the Agency Period but in no event later than the date thirty days after the end of such month, Manager shall distribute to Owner the Monthly Distribution Amount.

10. Indemnification.

(a) Owner shall indemnify and hold Manager harmless from and against any and all Losses incurred by or asserted against Manager (either alone or jointly or severally) as a result of the use, operation, possession, control, maintenance, repair or storage of the Cars during the Agency Period; provided, however, that Owner shall not be required to defend, indemnify or hold Manager harmless from any Losses caused by or arising from negligence, bad faith, recklessness, or willful misconduct of Manager.

(b) Manager shall indemnify and hold Owner harmless from and against any and all Losses incurred by or asserted against Owner (either alone or jointly or severally) as a result of the use, operation, possession, control, maintenance, repair or storage of the Cars; but only if such Losses were caused by or arose from negligence, bad faith, recklessness, or willful misconduct of Manager.

(c) As promptly as practicable after receipt by a party of notice of the commencement of any action, suit or proceeding or the assertion of any claim with respect to which the other party (the "indemnifying party") is or may be required to indemnify the former party (the "indemnified party") hereunder, the indemnified party shall give written notice thereof to the indemnifying party, whereupon the indemnifying party shall undertake the defense and satisfaction thereof. The indemnified party shall give the indemnifying party such cooperation as the indemnifying party may reasonably request, and the indemnifying party shall have the right to defend and settle any such action, suit, proceeding or claim either in its name or the names of the indemnified party (so long as the indemnified party shall be indemnified and held harmless as provided herein). The indemnified party shall have the right, at its expense, to participate in the defense of any such action, suit, proceeding or claim. If the indemnifying party fails to take timely action to defend any such action, suit, proceeding or claim, the indemnified party shall have the right to defend and settle the same as the indemnified party may deem appropriate at the indemnifying party's cost and expense.

(d) Owner shall maintain during the Agency Period (or shall instruct Manager to use its best efforts to arrange at Owner's expense) liability insurance in an amount not less than

that provided on Exhibit B hereto insuring against liability for death, bodily injury and property damage resulting from the ownership, maintenance, use or operation of the Cars. All such insurance shall (i) name Owner and Manager as insureds, (ii) be with companies rated not less than B-V as of October 1, 1986 by A.M. Best Company (or in the case of any rating subsequent to October 1, 1986 is rated the substantial equivalent at such time of a B-V rating as of October 1, 1986) and (iii) provide that such insurance may not be altered or cancelled without ten (10) days prior written notice to Manager and Owner.

11. Default.

The occurrence and continuance of any of the following events shall be an Event of Default under this Agreement:

(i) The failure by Manager to pay to Owner any Monthly Distribution Amount within ten (10) business days of the Monthly Distribution Deadline.

(ii) The breach by either party of any other term, covenant, or condition of this Agreement, if (i) in the case of any such breach which is susceptible to cure within a thirty-day period, such breach is not cured within thirty (30) days after receipt of written notification of such breach, (ii) in the case of any curable breach which is not susceptible to cure within a thirty-day period and so long as such party is making all reasonable efforts to cure such breach, such breach is not cured within sixty (60) days after receipt of written notification of such breach, and (iii) in the case of any breach not susceptible to cure, due restitution is not made promptly (and in no event later than five days) after receipt of written notification of such breach.

(iii) The filing of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors by Owner, Manager or any Affiliate of Manager directly involved in the management, use or leasing of any of the Cars.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Owner, Manager or any Affiliate of Manager directly involved in the management, use or leasing of any of the Cars that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of such party unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of such filing or appointment.

12. Remedies; Termination; Expiration; Sales Subject to this Agreement.

(a) Remedies upon Event of Default. Upon the occurrence of any Event of Default, and in addition to any other remedies provided under applicable law, the other party may, at its option, (i) terminate this Agreement, and (ii) proceed by any lawful means to enforce performance of this Agreement. In the event of the default by either party in the payment when due of any amount payable hereunder, interest shall accrue on such amount at the rate of ten (10%) per annum from the date on which such amount was due hereunder until the date such amount is paid.

(b) Termination upon Loss. The Agency Period shall terminate with respect to any Car (i) on the date of the loss or destruction of such Car or (ii) in the case of any Car which at any time during the Agency Period requires any Discretionary Maintenance Activity the cost of which is in excess of the Maximum Individual Disbursement Amount, if Owner has expressly declined to grant its consent to the performance of such addition, repair, modification or improvement, on the date Owner expressly declined to grant such consent.

(c) Consequences of Termination. After any termination by Owner of this Agreement pursuant to subsections (a) or (b) above (i) Manager shall pay to Owner all Gross Revenues then held by Manager or, when received, amounts due to Manager after deduction of any accrued fees payable under this Section and Section 8 and reimbursement of any Operating Expenses previously paid by Manager in accordance with this Agreement; (ii) Manager shall deliver to Owner all records (or copies thereof) relating to the Cars and, at the request of Owner, shall provide any reasonable assistance and cooperation necessary for the change in registration of the Cars and (iii) Owner shall have the right to instruct, and to cause Manager to instruct, any user of the Cars under any Usage Agreement (or Affiliate Usage Agreement, if applicable) to pay all future Gross Revenues and other sums directly to Owner. If at any time Gross Revenues and other sums are paid directly to Owner (except as otherwise provided below), Owner shall be required to pay promptly upon notice from Manager all Operating Expenses relating to the Cars (and to reimburse Manager for Operating Expenses previously paid by it and not previously reimbursed), and Manager shall have the right to receive the compensation provided for in this Section and Section 8 above with respect to Gross Revenues attributable to periods prior to termination. Notwithstanding any termination of the Agency Period, whether upon the expiration of the term of this Agreement or otherwise, Manager shall, unless Owner instructs otherwise, continue to collect all rental payments, and other sums

(including insurance benefits or railroad indemnity payments payable in connection with any damage to or loss or total destruction of a Car), and to pay or arrange for payment of all expenses, taxes and other charges on Cars, in each case only to the extent due for or with respect to periods prior to such termination of this Agreement. Unless Manager or another person has otherwise agreed, upon termination of this Agreement Owner at its own expense shall (i) cause the marks on the Cars to be changed, if necessary; (ii) take control of the Cars; (iii) arrange for removal of the Cars from the railroad tracks where the Cars are located, if necessary; (iv) arrange for the transportation of such Cars to a location designated by Owner; and (v) assume responsibility for any and all repair, storage and transportation charges with regard to the Cars required to be paid by Owner hereunder. Upon Owner's request and at Owner's expense, Manager shall in good faith cooperate with and assist Owner in the performance by Owner of its responsibilities arising upon termination of this Agreement.

13. Rights After Termination or Expiration Date.

After the Expiration Date or the date of any termination of this Agreement, Manager shall pay to Owner, forthwith upon Manager's receipt thereof, (a) all Gross Revenues and other sums relating to the Cars due through such termination or Expiration Date less reimbursement of Operating Expenses previously paid by Manager and the payment of accrued management fees, and (b) all Gross Revenues and other sums relating to the Cars which are attributable to, and which were collected by Manager during, periods subsequent to such expiration or termination, less reimbursement of any unreimbursed Operating Expenses.

14. Reports.

Not later than forty-five (45) days after the end of each month, Manager will distribute to Owner a true and complete unaudited report showing for such month in reasonable detail the Gross Revenues, Total Expenses, any Operating Deficit, the fees paid or payable to Manager, the Operating Expenses attributable to such month including the computation and the allocation of any property taxes. Such reports shall also show the amount of funds, if any, for such month distributed for the benefit of Owner pursuant to Section 9. Not later than forty-five (45) days after the end of each calendar quarter, Manager shall distribute to Owner a report showing, in reasonable detail, any amounts past due by the user under any Usage Agreement and the period of time which each such amount has been past due and describing all actions taken or proposed to be taken by Manager in respect thereof.



15. Notices.

Except as otherwise provided herein, any notice required or permitted hereunder shall be in writing and shall be valid, sufficient and deemed given if delivered personally or dispatched in any post office of the United States by registered or certified mail postage prepaid or sent by any express mail service receipt of which can be verified addressed to the other party as follows:

If to Manager: Emons Marketing Services, Inc.  
One West Market Street  
York, Pennsylvania 17401  
Attention: Controller

If to Owner: Emcob, Inc..  
c/o Emons Industries, Inc.  
One West Market Street  
York, Pennsylvania 17401  
Attention: Controller

cc: Jefferson-Pilot Life Insurance Company  
~~c/o Jefferson Pilot Investment, Inc.~~ *R12*  
101 N. Elm Street  
Greensboro, N.C. 27401

and any party may change such address by notice given to the other party in the manner set forth above.

16. Brokerage Right.

(a) In the case of any sale of a Car (i) arranged by Manager or (ii) to any user which is, or during the ninety (90) day period prior to such sale was, a party to a Usage Agreement relating to such Car, Manager shall have the right to receive a brokerage fee in the amount of ten percent (10%) of the net proceeds of such sale.

(b) In the case of any Car which either (i) has been destroyed (assuming Owner continues to own such Car after the destruction thereof and the payment of all settlement payments resulting from such destruction) or (ii) requires any Discretionary Maintenance Activity the cost of which would exceed the Maximum Individual Disbursement Amount and Owner has declined to grant its consent thereto, Manager shall, for a period of ninety (90) days from either (x) the date Manager learned of such destruction (and such Car was available for sale) or (y) the date Owner declined to consent to the performance of such Discretionary Maintenance Activity, have the exclusive right to arrange for the sale of such Car (including, if appropriate, the sale of such Car for scrap) and

to receive a brokerage fee for any such sale in the amount of ten percent (10%) of the net proceeds of such sale.

17. Miscellaneous.

(a) Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

(b) Headings. Titles and headings of the Sections and Subsections of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall not in any way affect the interpretation hereof.

(c) Amendment. No explanation or information by either of the parties hereto shall alter or affect the meaning or interpretation of this Agreement and no modification or amendment to this Agreement shall be valid unless in writing and executed by both parties hereto.

(d) Successor and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that neither Manager nor Owner shall have the right to assign its rights or obligations under this Agreement to any person or entity without the prior written consent of the other.

(e) Force Majeure. Neither party hereto shall be deemed to be in breach or in violation of this Agreement so long as either is prevented from performing any of its obligations hereunder for any reason beyond its reasonable control including and without limitation acts of God, riots, strikes, fires, storms, public disturbances, or any regulation, ruling, order or determination by any Federal, State or local government, or any department or agency thereof (other than adoption of any deregulation proposal pending on the date hereof or any substantially similar proposal).

(f) Parties' Intentions. Each party hereto represents to the other that it has been duly incorporated and is in good standing in the jurisdiction of its incorporation and that the execution and delivery of this Agreement has been duly authorized as an act of such corporation, and each party covenants and agrees that it will not take any action during the Agency Period which would be inconsistent with the terms of this Agreement.

(g) Manager's Standard of Care. In the performance of its duties hereunder, Manager shall use a degree of care and diligence not less than that which it uses in the management, maintenance and operation of railroad freight cars owned by it and in no event less than that which a reasonably prudent manager would use under the circumstances.

(h) Waiver. The waiver of any breach of any term or condition hereof shall not be deemed a waiver of any other or subsequent breach, whether of like or different nature, and shall not be valid unless set forth in writing.

(i) Severability. If any term or provision of this Agreement or the performance thereof shall to any extent be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by law.

(j) Expenses. The prevailing party in any action or proceeding brought to enforce the terms hereof shall be entitled to recover from the losing party the reasonable costs and expenses incurred by the prevailing party in such action or proceeding.

(k) Governing Law. This Agreement shall be governed by the internal laws of the State of New York without giving effect to principles of conflicts of law.

(l) Days; Years. Unless otherwise specifically provided herein, all references herein to days or years shall mean, respectively, calendar days or calendar years. If the day upon which any covenant or obligation herein is required to be performed or paid falls on a Saturday, Sunday or other day upon which banking institutions are authorized or required to close in New York, Pennsylvania or the state of Owner's principal office, the performance of such covenant or the payment of such obligation shall be deemed timely performed or paid if performed or paid on the next business day thereafter.

(m) Survival. All rights and obligations of the parties hereto accruing on or prior to any termination of this Agreement shall survive such termination.

IN WITNESS WHEREOF, the parties hereto have executed  
this agreement on the day and year set forth below.

EMONS MARKETING SERVICES, INC.

By: \_\_\_\_\_

EMCOB, INC.

By: \_\_\_\_\_

5362E

**EXHIBIT A**

**REPORTING MARKS - Seventy-five (75) cars currently bearing the  
marks CPAA-204614 through CPAA-204688**

Exhibit B

LIABILITY INSURANCE REQUIREMENTS

Per occurrence and aggregate limits . . . . . \$ 7,000,000  
Self-insured retention . . . . . \$ 100,000  
"Occurrence" form of coverage

5362E

## EXHIBIT B

## PRINCIPAL AMORTIZATION SCHEDULE

PMT. NO.	AMOUNT
1	3,681.86
2	3,737.09
3	3,793.15
4	3,850.04
5	3,907.79
6	3,966.41
7	4,025.91
8	4,086.30
9	4,147.59
10	4,209.80
11	4,272.95
12	4,337.04
13	4,402.10
14	4,468.13
15	4,535.15
16	4,603.18
17	4,672.23
18	4,742.31
19	4,813.45
20	4,885.65
21	4,958.93
22	5,033.32
23	5,108.82
24	5,185.45
25	5,263.23
26	5,342.18
27	5,422.31
28	5,503.65
29	5,586.20
30	5,669.99
31	5,755.04
32	5,841.37
33	5,928.99
34	6,017.93
35	6,108.19
36	6,199.82
37	6,292.81
38	6,387.21
39	6,483.01
40	6,580.26
41	6,678.96
42	6,779.15
43	6,880.84
44	6,984.05
45	7,088.81

## EXHIBIT B

## PRINCIPAL AMORTIZATION SCHEDULE

PMT. NO.	AMOUNT
46	7,195.14
47	7,303.07
48	7,412.61
49	7,523.80
50	7,636.66
51	7,751.21
52	7,867.48
53	7,985.49
54	8,105.27
55	8,226.85
56	8,350.25
57	8,475.51
58	8,602.64
59	8,731.68
60	8,862.66
61	8,995.60
62	9,130.53
63	9,267.49
64	9,406.50
65	9,547.60
66	9,690.81
67	9,836.17
68	9,983.72
69	10,133.47
70	10,285.47
71	10,439.76
72	10,596.35
73	10,755.30
74	10,916.63
75	11,080.38
76	11,246.58
77	11,415.28
78	11,586.51
79	11,760.31
80	11,936.71
81	12,115.76
82	12,297.50
83	12,481.96
84	12,669.19
85	12,859.23
86	13,052.12
87	13,247.90
88	13,446.62
89	13,648.32
90	13,853.04
91	14,060.84
92	14,271.75
93	14,485.83
94	14,703.11



## EXHIBIT B

## PRINCIPAL AMORTIZATION SCHEDULE

PMT. NO.	AMOUNT
95	14,923.66
96	15,147.52
97	15,374.73
98	15,605.35
99	15,839.43
100	16,077.02
101	16,318.18
102	16,562.95
103	16,811.39
104	17,063.56
105	17,319.52
106	17,579.31
107	17,843.00
108	18,110.65
109	18,382.31
110	18,658.04
111	18,937.91
112	19,221.98
113	19,510.31
114	19,802.44